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HOUSE BILL 2231

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State of Washington

58th Legislature

2003 Regular Session

By Representatives Murray, Wallace, Cooper, Clibborn, Rockefeller, Simpson, Hudgins and Hankins

Read first time 03/26/2003. Referred to Committee on Transportation.

1 AN ACT Relating to transportation and financing; amending RCW  
2 46.16.070, 46.68.035, 82.38.030, 82.38.035, and 82.38.047; reenacting  
3 and amending RCW 82.36.025, 46.68.090, and 46.68.110; adding a new  
4 section to chapter 82.44 RCW; adding new sections to chapter 70.94 RCW;  
5 creating a new section; providing an effective date; and declaring an  
6 emergency.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **PART I - LICENSE FEES**

9 **Sec. 101.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to  
10 read as follows:

11 (1) In lieu of all other vehicle licensing fees, unless  
12 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
13 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
14 stages in RCW 46.16.125, there shall be paid and collected annually for  
15 each truck, motor truck, truck tractor, road tractor, tractor, bus,  
16 auto stage, or for hire vehicle with seating capacity of more than six,  
17 based upon the declared combined gross weight or declared gross weight

1 thereof pursuant to the provisions of chapter 46.44 RCW, the following  
 2 licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
12,000 lbs. ....	\$ 72.00 .....	\$ 72.00
14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
24,000 lbs. ....	\$ 177.00 .....	\$ 177.00
26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
42,000 lbs. ....	\$ 456.00 .....	\$ 546.00
44,000 lbs. ....	\$ 466.00 .....	\$ 556.00
46,000 lbs. ....	\$ 501.00 .....	\$ 591.00
48,000 lbs. ....	\$ 522.00 .....	\$ 612.00
50,000 lbs. ....	\$ 566.00 .....	\$ 656.00
52,000 lbs. ....	\$ 595.00 .....	\$ 685.00
54,000 lbs. ....	\$ 642.00 .....	\$ 732.00
56,000 lbs. ....	\$ 677.00 .....	\$ 767.00
58,000 lbs. ....	\$ 704.00 .....	\$ 794.00
60,000 lbs. ....	\$ 750.00 .....	\$ 840.00
62,000 lbs. ....	\$ 804.00 .....	\$ 894.00
64,000 lbs. ....	\$ 822.00 .....	\$ 912.00
66,000 lbs. ....	\$ 915.00 .....	\$ 1,005.00
68,000 lbs. ....	\$ 954.00 .....	\$ 1,044.00
70,000 lbs. ....	\$ 1,027.00 .....	\$ 1,117.00
72,000 lbs. ....	\$ 1,098.00 .....	\$ 1,188.00
74,000 lbs. ....	\$ 1,193.00 .....	\$ 1,283.00
76,000 lbs. ....	\$ 1,289.00 .....	\$ 1,379.00
78,000 lbs. ....	\$ 1,407.00 .....	\$ 1,497.00

1	80,000 lbs. ....	\$	1,518.00 .....	\$	1,608.00
2	82,000 lbs. ....	\$	1,623.00 .....	\$	1,713.00
3	84,000 lbs. ....	\$	1,728.00 .....	\$	1,818.00
4	86,000 lbs. ....	\$	1,833.00 .....	\$	1,923.00
5	88,000 lbs. ....	\$	1,938.00 .....	\$	2,028.00
6	90,000 lbs. ....	\$	2,043.00 .....	\$	2,133.00
7	92,000 lbs. ....	\$	2,148.00 .....	\$	2,238.00
8	94,000 lbs. ....	\$	2,253.00 .....	\$	2,343.00
9	96,000 lbs. ....	\$	2,358.00 .....	\$	2,448.00
10	98,000 lbs. ....	\$	2,463.00 .....	\$	2,553.00
11	100,000 lbs. ....	\$	2,568.00 .....	\$	2,658.00
12	102,000 lbs. ....	\$	2,673.00 .....	\$	2,763.00
13	104,000 lbs. ....	\$	2,778.00 .....	\$	2,868.00
14	105,500 lbs. ....	\$	2,883.00 .....	\$	2,973.00))
15	<u>12,000 lbs. ....</u>	\$	<u>79.00 .....</u>	\$	<u>79.00</u>
16	<u>14,000 lbs. ....</u>	\$	<u>90.00 .....</u>	\$	<u>90.00</u>
17	<u>16,000 lbs. ....</u>	\$	<u>102.00 .....</u>	\$	<u>102.00</u>
18	<u>18,000 lbs. ....</u>	\$	<u>154.00 .....</u>	\$	<u>154.00</u>
19	<u>20,000 lbs. ....</u>	\$	<u>171.00 .....</u>	\$	<u>171.00</u>
20	<u>22,000 lbs. ....</u>	\$	<u>185.00 .....</u>	\$	<u>185.00</u>
21	<u>24,000 lbs. ....</u>	\$	<u>200.00 .....</u>	\$	<u>200.00</u>
22	<u>26,000 lbs. ....</u>	\$	<u>211.00 .....</u>	\$	<u>211.00</u>
23	<u>28,000 lbs. ....</u>	\$	<u>249.00 .....</u>	\$	<u>249.00</u>
24	<u>30,000 lbs. ....</u>	\$	<u>287.00 .....</u>	\$	<u>287.00</u>
25	<u>32,000 lbs. ....</u>	\$	<u>346.00 .....</u>	\$	<u>346.00</u>
26	<u>34,000 lbs. ....</u>	\$	<u>368.00 .....</u>	\$	<u>368.00</u>
27	<u>36,000 lbs. ....</u>	\$	<u>399.00 .....</u>	\$	<u>399.00</u>
28	<u>38,000 lbs. ....</u>	\$	<u>438.00 .....</u>	\$	<u>438.00</u>
29	<u>40,000 lbs. ....</u>	\$	<u>501.00 .....</u>	\$	<u>501.00</u>
30	<u>42,000 lbs. ....</u>	\$	<u>521.00 .....</u>	\$	<u>611.00</u>
31	<u>44,000 lbs. ....</u>	\$	<u>532.00 .....</u>	\$	<u>622.00</u>
32	<u>46,000 lbs. ....</u>	\$	<u>572.00 .....</u>	\$	<u>662.00</u>
33	<u>48,000 lbs. ....</u>	\$	<u>596.00 .....</u>	\$	<u>686.00</u>
34	<u>50,000 lbs. ....</u>	\$	<u>647.00 .....</u>	\$	<u>737.00</u>
35	<u>52,000 lbs. ....</u>	\$	<u>680.00 .....</u>	\$	<u>770.00</u>
36	<u>54,000 lbs. ....</u>	\$	<u>734.00 .....</u>	\$	<u>824.00</u>
37	<u>56,000 lbs. ....</u>	\$	<u>775.00 .....</u>	\$	<u>865.00</u>
38	<u>58,000 lbs. ....</u>	\$	<u>806.00 .....</u>	\$	<u>896.00</u>
39	<u>60,000 lbs. ....</u>	\$	<u>859.00 .....</u>	\$	<u>949.00</u>
40	<u>62,000 lbs. ....</u>	\$	<u>921.00 .....</u>	\$	<u>1,011.00</u>
41	<u>64,000 lbs. ....</u>	\$	<u>941.00 .....</u>	\$	<u>1,031.00</u>
42	<u>66,000 lbs. ....</u>	\$	<u>1,048.00 .....</u>	\$	<u>1,138.00</u>
43	<u>68,000 lbs. ....</u>	\$	<u>1,093.00 .....</u>	\$	<u>1,183.00</u>
44	<u>70,000 lbs. ....</u>	\$	<u>1,177.00 .....</u>	\$	<u>1,267.00</u>

1	<u>72,000 lbs. ....</u>	\$	<u>1,259.00 ....</u>	\$	<u>1,349.00</u>
2	<u>74,000 lbs. ....</u>	\$	<u>1,368.00 ....</u>	\$	<u>1,458.00</u>
3	<u>76,000 lbs. ....</u>	\$	<u>1,478.00 ....</u>	\$	<u>1,568.00</u>
4	<u>78,000 lbs. ....</u>	\$	<u>1,614.00 ....</u>	\$	<u>1,704.00</u>
5	<u>80,000 lbs. ....</u>	\$	<u>1,742.00 ....</u>	\$	<u>1,832.00</u>
6	<u>82,000 lbs. ....</u>	\$	<u>1,863.00 ....</u>	\$	<u>1,953.00</u>
7	<u>84,000 lbs. ....</u>	\$	<u>1,983.00 ....</u>	\$	<u>2,073.00</u>
8	<u>86,000 lbs. ....</u>	\$	<u>2,104.00 ....</u>	\$	<u>2,194.00</u>
9	<u>88,000 lbs. ....</u>	\$	<u>2,225.00 ....</u>	\$	<u>2,315.00</u>
10	<u>90,000 lbs. ....</u>	\$	<u>2,346.00 ....</u>	\$	<u>2,436.00</u>
11	<u>92,000 lbs. ....</u>	\$	<u>2,466.00 ....</u>	\$	<u>2,556.00</u>
12	<u>94,000 lbs. ....</u>	\$	<u>2,587.00 ....</u>	\$	<u>2,677.00</u>
13	<u>96,000 lbs. ....</u>	\$	<u>2,708.00 ....</u>	\$	<u>2,798.00</u>
14	<u>98,000 lbs. ....</u>	\$	<u>2,829.00 ....</u>	\$	<u>2,919.00</u>
15	<u>100,000 lbs. ....</u>	\$	<u>2,949.00 ....</u>	\$	<u>3,039.00</u>
16	<u>102,000 lbs. ....</u>	\$	<u>3,070.00 ....</u>	\$	<u>3,160.00</u>
17	<u>104,000 lbs. ....</u>	\$	<u>3,191.00 ....</u>	\$	<u>3,281.00</u>
18	<u>105,500 lbs. ....</u>	\$	<u>3,312.00 ....</u>	\$	<u>3,402.00</u>

19           Schedule A applies to vehicles either used exclusively for hauling  
20 logs or that do not tow trailers. Schedule B applies to vehicles that  
21 tow trailers and are not covered under Schedule A.

22           Every truck, motor truck, truck tractor, and tractor exceeding  
23 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,  
24 or 46.88 RCW shall be licensed for not less than one hundred fifty  
25 percent of its empty weight unless the amount would be in excess of the  
26 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
27 46.44.042, in which event the vehicle shall be licensed for the maximum  
28 weight authorized for such a vehicle or unless the vehicle is used only  
29 for the purpose of transporting any well drilling machine, air  
30 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
31 tool house, bunk house, or similar machine or structure attached to or  
32 made a part of such vehicle.

33           The following provisions apply when increasing gross or combined  
34 gross weight for a vehicle licensed under this section:

35           (a) The new license fee will be one-twelfth of the fee listed above  
36 for the new gross weight, multiplied by the number of months remaining  
37 in the period for which licensing fees have been paid, including the  
38 month in which the new gross weight is effective.

39           (b) Upon surrender of the current certificate of registration or  
40 cab card, the new licensing fees due shall be reduced by the amount of

1 the licensing fees previously paid for the same period for which new  
2 fees are being charged.

3 (2) The proceeds from the fees collected under subsection (1) of  
4 this section shall be distributed in accordance with RCW 46.68.035.

5 **Sec. 102.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each  
6 amended to read as follows:

7 All proceeds from combined vehicle licensing fees received by the  
8 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall  
9 be forwarded to the state treasurer to be distributed into accounts  
10 according to the following method:

11 (1) The sum of two dollars for each vehicle shall be deposited into  
12 the multimodal transportation account, except that for each vehicle  
13 registered by a county auditor or agent to a county auditor pursuant to  
14 RCW 46.01.140, the sum of two dollars shall be credited to the current  
15 county expense fund.

16 (2) The remainder shall be distributed as follows:

17 (a) (~~((23.677))~~) 21.963 percent shall be deposited into the state  
18 patrol highway account of the motor vehicle fund;

19 (b) (~~((1.521))~~) 1.411 percent shall be deposited into the Puget Sound  
20 ferry operations account of the motor vehicle fund; and

21 (c) The remaining proceeds shall be deposited into the motor  
22 vehicle fund.

23 **PART II - VEHICLE TRANSFER TAX**

24 NEW SECTION. **Sec. 201.** A new section is added to chapter 82.44  
25 RCW to read as follows:

26 (1) There is levied and there shall be collected a vehicle transfer  
27 tax on motor vehicles for the privilege of using the transportation  
28 system in this state.

29 (2) For those motor vehicle transactions that are taxable under RCW  
30 82.08.020, the tax levied under this section shall be equal to  
31 six-tenths of one percent of the selling price.

32 (3) For those motor vehicle transactions that are taxable under RCW  
33 82.12.020, the tax levied under this section shall be equal to  
34 six-tenths of one percent of the value of the article used.

1 (4) For the purposes of this section, "motor vehicle" has the  
2 meaning provided in RCW 46.04.320, but does not include farm tractors  
3 or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road  
4 and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as  
5 defined in RCW 46.10.010.

6 (5) The tax imposed in this section shall be collected in the same  
7 manner as excise taxes collected under chapters 82.08 and 82.12 RCW.

8 (6) The revenue collected under this section shall be deposited  
9 into the multimodal transportation account created under RCW 47.66.070.

10 **PART III - MOTOR AND SPECIAL FUEL TAXES**

11 **Sec. 301.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are  
12 each reenacted and amended to read as follows:

13 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon  
14 (~~shall apply~~) applies to the sale, distribution, or use of motor  
15 vehicle fuel.

16 (2) Beginning July 1, 2003, an additional and cumulative motor fuel  
17 tax rate of three cents per gallon applies to the sale, distribution,  
18 or use of motor vehicle fuel.

19 **Sec. 302.** RCW 82.38.030 and 2002 c 183 s 2 are each amended to  
20 read as follows:

21 (1) There is hereby levied and imposed upon special fuel users a  
22 tax at the rate (~~computed in the manner provided in RCW 82.36.025 on~~  
23 ~~each~~) of twenty-three cents per gallon of special fuel, or each one  
24 hundred cubic feet of compressed natural gas, measured at standard  
25 pressure and temperature.

26 (2) Beginning July 1, 2003, an additional and cumulative tax rate  
27 of three cents per gallon of special fuel, or each one hundred cubic  
28 feet of compressed natural gas, measured at standard pressure and  
29 temperature shall be imposed on special fuel users.

30 (3) The tax is imposed (~~by subsection (1) of this section is~~  
31 ~~imposed~~) when:

32 (a) Special fuel is removed in this state from a terminal if the  
33 special fuel is removed at the rack unless the removal is to a licensed  
34 exporter for direct delivery to a destination outside of the state, or

1 the removal is to a special fuel distributor for direct delivery to an  
2 international fuel tax agreement licensee under RCW 82.38.320;

3 (b) Special fuel is removed in this state from a refinery if either  
4 of the following applies:

5 (i) The removal is by bulk transfer and the refiner or the owner of  
6 the special fuel immediately before the removal is not a licensee; or

7 (ii) The removal is at the refinery rack unless the removal is to  
8 a licensed exporter for direct delivery to a destination outside of the  
9 state, or the removal is to a special fuel distributor for direct  
10 delivery to an international fuel tax agreement licensee under RCW  
11 82.38.320;

12 (c) Special fuel enters into this state for sale, consumption, use,  
13 or storage if either of the following applies:

14 (i) The entry is by bulk transfer and the importer is not a  
15 licensee; or

16 (ii) The entry is not by bulk transfer;

17 (d) Special fuel is sold or removed in this state to an unlicensed  
18 entity unless there was a prior taxable removal, entry, or sale of the  
19 special fuel;

20 (e) Blended special fuel is removed or sold in this state by the  
21 blender of the fuel. The number of gallons of blended special fuel  
22 subject to tax is the difference between the total number of gallons of  
23 blended special fuel removed or sold and the number of gallons of  
24 previously taxed special fuel used to produce the blended special fuel;

25 (f) Dyed special fuel is used on a highway, as authorized by the  
26 internal revenue code, unless the use is exempt from the special fuel  
27 tax;

28 (g) Dyed special fuel is held for sale, sold, used, or is intended  
29 to be used in violation of this chapter;

30 (h) Special fuel purchased by an international fuel tax agreement  
31 licensee under RCW 82.38.320 is used on a highway; and

32 (i) Special fuel is sold by a licensed special fuel supplier to a  
33 special fuel distributor, special fuel importer, or special fuel  
34 blender and the special fuel is not removed from the bulk transfer-  
35 terminal system.

36 ~~((+3))~~ (4) The tax imposed by this chapter, if required to be  
37 collected by the licensee, is held in trust by the licensee until paid  
38 to the department, and a licensee who appropriates or converts the tax

1 collected to his or her own use or to any use other than the payment of  
2 the tax to the extent that the money required to be collected is not  
3 available for payment on the due date as prescribed in this chapter is  
4 guilty of a felony, or gross misdemeanor in accordance with the theft  
5 and anticipatory provisions of Title 9A RCW. A person, partnership,  
6 corporation, or corporate officer who fails to collect the tax imposed  
7 by this section, or who has collected the tax and fails to pay it to  
8 the department in the manner prescribed by this chapter, is personally  
9 liable to the state for the amount of the tax.

10 **Sec. 303.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are  
11 each reenacted and amended to read as follows:

12 (1) All moneys that have accrued or may accrue to the motor vehicle  
13 fund from the motor vehicle fuel tax and special fuel tax shall be  
14 first expended for purposes enumerated in (a) and (b) of this  
15 subsection. The remaining net tax amount shall be distributed monthly  
16 by the state treasurer in ~~((the proportions set forth in (c) through~~  
17 ~~(+l+))~~ accordance with subsections (2), (3), and (4) of this  
18 ~~((subsection))~~ section.

19 (a) For payment of refunds of motor vehicle fuel tax and special  
20 fuel tax that has been paid and is refundable as provided by law;

21 (b) For payment of amounts to be expended pursuant to  
22 appropriations for the administrative expenses of the offices of state  
23 treasurer, state auditor, and the department of licensing of the state  
24 of Washington in the administration of the motor vehicle fuel tax and  
25 the special fuel tax, which sums shall be distributed monthly~~((÷))~~.

26 ~~((+e+))~~ (2) All of the remaining net tax amount collected under RCW  
27 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
28 through (j) of this section.

29 (a) For distribution to the motor vehicle fund an amount equal to  
30 44.387 percent to be expended for highway purposes of the state as  
31 defined in RCW 46.68.130;

32 ~~((+d+))~~ (b) For distribution to the special category C account,  
33 hereby created in the motor vehicle fund, an amount equal to 3.2609  
34 percent to be expended for special category C projects. Special  
35 category C projects are category C projects that, due to high cost  
36 only, will require bond financing to complete construction.



1 The following criteria, listed in order of priority, shall be used  
2 in determining which special category C projects have the highest  
3 priority:

4 (i) Accident experience;

5 (ii) Fatal accident experience;

6 (iii) Capacity to move people and goods safely and at reasonable  
7 speeds without undue congestion; and

8 (iv) Continuity of development of the highway transportation  
9 network.

10 Moneys deposited in the special category C account in the motor  
11 vehicle fund may be used for payment of debt service on bonds the  
12 proceeds of which are used to finance special category C projects under  
13 this subsection (~~((1)(d))~~) (2)(b);

14 (~~((e))~~) (c) For distribution to the Puget Sound ferry operations  
15 account in the motor vehicle fund an amount equal to 2.3283 percent;

16 (~~((f))~~) (d) For distribution to the Puget Sound capital  
17 construction account in the motor vehicle fund an amount equal to  
18 2.3726 percent;

19 (~~((g))~~) (e) For distribution to the urban arterial trust account in  
20 the motor vehicle fund an amount equal to 7.5597 percent;

21 (~~((h))~~) (f) For distribution to the transportation improvement  
22 account in the motor vehicle fund an amount equal to 5.6739 percent and  
23 expended in accordance with RCW 47.26.086;

24 (~~((i))~~) (g) For distribution to the cities and towns from the motor  
25 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
26 46.68.110;

27 (~~((j))~~) (h) For distribution to the counties from the motor vehicle  
28 fund an amount equal to 19.2287 percent: (i) Out of which there shall  
29 be distributed from time to time, as directed by the department of  
30 transportation, those sums as may be necessary to carry out the  
31 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
32 the county road administration board to implement the provisions of RCW  
33 47.56.725(4), with the balance of such county share to be distributed  
34 monthly as the same accrues for distribution in accordance with RCW  
35 46.68.120;

36 (~~((k))~~) (i) For distribution to the county arterial preservation  
37 account, hereby created in the motor vehicle fund an amount equal to  
38 1.9565 percent. These funds shall be distributed by the county road

1 administration board to counties in proportions corresponding to the  
2 number of paved arterial lane miles in the unincorporated area of each  
3 county and shall be used for improvements to sustain the structural,  
4 safety, and operational integrity of county arterials. The county road  
5 administration board shall adopt reasonable rules and develop policies  
6 to implement this program and to assure that a pavement management  
7 system is used;

8 ~~((1))~~ (j) For distribution to the rural arterial trust account in  
9 the motor vehicle fund an amount equal to 2.5363 percent and expended  
10 in accordance with RCW 36.79.020.

11 ~~((2))~~ (3) One hundred percent of the net tax amount collected  
12 under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the  
13 motor vehicle account.

14 (4) Nothing in this section or in RCW 46.68.130 may be construed so  
15 as to violate any terms or conditions contained in any highway  
16 construction bond issues now or hereafter authorized by statute and  
17 whose payment is by such statute pledged to be paid from any excise  
18 taxes on motor vehicle fuel and special fuels.

19 **Sec. 304.** RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are  
20 each reenacted and amended to read as follows:

21 Funds credited to the incorporated cities and towns of the state as  
22 set forth in RCW 46.68.090~~((1)(i))~~ (2)(g) shall be subject to  
23 deduction and distribution as follows:

24 (1) One and one-half percent of such sums distributed under RCW  
25 46.68.090(2)(g) shall be deducted monthly as such sums are credited and  
26 set aside for the use of the department of transportation for the  
27 supervision of work and expenditures of such incorporated cities and  
28 towns on the city and town streets thereof, including the supervision  
29 and administration of federal-aid programs for which the department of  
30 transportation has responsibility: PROVIDED, That any moneys so  
31 retained and not expended shall be credited in the succeeding biennium  
32 to the incorporated cities and towns in proportion to deductions herein  
33 made;

34 (2) Thirty-three one-hundredths of one percent of such funds  
35 distributed under RCW 46.68.090(2)(g) shall be deducted monthly, as  
36 such funds accrue, and set aside for the use of the department of  
37 transportation for the purpose of funding the cities' share of the

1 costs of highway jurisdiction studies and other studies. Any funds so  
2 retained and not expended shall be credited in the succeeding biennium  
3 to the cities in proportion to the deductions made;

4 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)  
5 shall be deducted monthly, as such funds accrue, to be deposited in the  
6 urban arterial trust account, to implement the city hardship assistance  
7 program, as provided in RCW 47.26.164. However, any moneys so retained  
8 and not required to carry out the program as of July 1st of each odd-  
9 numbered year thereafter, shall be provided within sixty days to the  
10 treasurer and distributed in the manner prescribed in subsection (5) of  
11 this section;

12 (4) After making the deductions under subsections (1) through (3)  
13 of this section and RCW 35.76.050, 31.86 percent of the fuel tax  
14 distributed to the cities and towns in RCW 46.68.090(~~((1)(i))~~) (2)(g)  
15 shall be allocated to the incorporated cities and towns in the manner  
16 set forth in subsection (5) of this section and subject to deductions  
17 in subsections (1), (2), and (3) of this section, subject to RCW  
18 35.76.050, to be used exclusively for: The construction, improvement,  
19 chip sealing, seal-coating, and repair for arterial highways and city  
20 streets as those terms are defined in RCW 46.04.030 and 46.04.120; the  
21 maintenance of arterial highways and city streets for those cities with  
22 a population of less than fifteen thousand; or the payment of any  
23 municipal indebtedness which may be incurred in the construction,  
24 improvement, chip sealing, seal-coating, and repair of arterial  
25 highways and city streets; and

26 (5) The balance remaining to the credit of incorporated cities and  
27 towns after such deduction shall be apportioned monthly as such funds  
28 accrue among the several cities and towns within the state ratably on  
29 the basis of the population last determined by the office of financial  
30 management.

31 **Sec. 305.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to  
32 read as follows:

33 (1) A licensed supplier shall remit tax on special fuel to the  
34 department as provided in RCW 82.38.030(~~((2)(a))~~) (3)(a). On a two-  
35 party exchange, or buy-sell agreement between two licensed suppliers,  
36 the receiving exchange partner or buyer shall remit the tax.

1 (2) A refiner shall remit tax to the department on special fuel  
2 removed from a refinery as provided in RCW 82.38.030(~~((+2)+(b))~~) (3)(b).

3 (3) An importer shall remit tax to the department on special fuel  
4 imported into this state as provided in RCW 82.38.030(~~((+2)+(e))~~) (3)(c).

5 (4) A blender shall remit tax to the department on the removal or  
6 sale of blended special fuel as provided in RCW 82.38.030(~~((+2)+(e))~~)  
7 (3)(e).

8 (5) A dyed special fuel user shall remit tax to the department on  
9 the use of dyed special fuel as provided in RCW 82.38.030(~~((+2)+(f))~~)  
10 (3)(f).

11 **Sec. 306.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to  
12 read as follows:

13 A terminal operator is jointly and severally liable for remitting  
14 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the  
15 removal of special fuel that is not dyed or marked in accordance with  
16 internal revenue service requirements, the terminal operator provides  
17 a person with a bill of lading, shipping paper, or similar document  
18 indicating that the special fuel is dyed or marked in accordance with  
19 internal revenue service requirements.

#### 20 **PART IV - CLEAN AIR FEE**

21 NEW SECTION. **Sec. 401.** A new section is added to chapter 70.94  
22 RCW to read as follows:

23 In addition to other fees and taxes required under this chapter,  
24 registered owners of motor vehicles as defined in RCW 46.04.320 shall  
25 annually, upon renewal, pay a clean air fee of two dollars. The  
26 proceeds of this clean air fee must be deposited in a segregated  
27 subaccount of the air pollution control account created in RCW  
28 70.94.015.

29 NEW SECTION. **Sec. 402.** A new section is added to chapter 70.94  
30 RCW to read as follows:

31 (1) Money from the clean air fee under section 401 of this act may  
32 be used for any purpose under this chapter, including but not limited  
33 to the following:

1 (a) Retrofitting motor vehicles, including school buses and transit  
2 fleets, with exhaust emission control devices;

3 (b) Reducing air contaminant emissions and cleaning up air  
4 pollution;

5 (c) Reducing and eliminating toxic air contaminants;

6 (d) Providing funding for the differential costs of cleaner and  
7 alternative fuels and vehicles that reduce air emissions and allow  
8 advanced exhaust emission control devices to be used, including  
9 ultralow sulfur diesel fuel, biodiesel, and natural gas;

10 (e) Providing funding for infrastructure necessary to allow fleets  
11 to use alternative, cleaner fuels; and

12 (f) Administrative and operating costs of air pollution control  
13 authorities and, where there is no air pollution control agency, the  
14 department, to develop and oversee the air pollution cleanup programs  
15 identified in this section.

16 (2) Money from the clean air fee under section 401 of this act is  
17 subject to distribution as follows:

18 (a) Eighty percent of the money must be distributed to the air  
19 pollution control authorities created under this chapter. The money  
20 must be distributed in direct proportion with the amount of fees  
21 imposed under section 401 of this act that are collected within the  
22 boundaries of each authority. However, an amount in direct proportion  
23 with those fees collected in counties for which no air pollution  
24 control authority exists must be distributed to the department.

25 (b) Twenty percent of the money from the fee under section 401 of  
26 this act must be distributed to the department and used by the  
27 department for the following purposes:

28 (i) Retrofitting motor vehicles, including school buses and transit  
29 fleets, with exhaust emission control devices;

30 (ii) Reducing air contaminant emissions and cleaning up air  
31 pollution;

32 (iii) Reducing and eliminating toxic air contaminants;

33 (iv) Providing funding for the differential costs of cleaner and  
34 alternative fuels and vehicles that reduce air emissions and allow  
35 advanced exhaust emission control devices to be used, including  
36 ultralow sulfur diesel fuel, biodiesel, and natural gas;

37 (v) Providing funding for infrastructure necessary to allow fleets  
38 to use alternative, cleaner fuels; and

1 (vi) Administrative and operating costs of air pollution control  
2 authorities and, where there is no air pollution control agency, the  
3 department, to develop and oversee the air pollution cleanup programs  
4 identified in this section.

5 (3) Money in the air pollution control account may be spent by the  
6 department only after appropriation.

7 **PART V - MISCELLANEOUS**

8 NEW SECTION. **Sec. 501.** Part headings used in this act are not any  
9 part of the law.

10 NEW SECTION. **Sec. 502.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of the  
12 state government and its existing public institutions, and takes effect  
13 July 1, 2003.

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